Medicaid in MONTANA

How Medicaid Affects Montana’s State Budget, Economy, and Health
Acknowledgements

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This report would not have been possible without the partnership and support of the Montana Department of Public Health and Human Services (DPHHS). MHCF would also like to acknowledge the support of the Montana Department of Corrections and the Montana Department of Labor and Industry in the development of this report and thank our reviewers for sharing their time and expertise, including: Heather O’Loughlin, Montana Budget and Policy Center; Stacey Anderson, Montana Primary Care Association; Rich Rasmussen and Duane Preshinger, Montana Hospital Association.
This report is intended to provide a clear, objective analysis of Montana’s Medicaid program, its beneficiaries and costs, and how it affects the health system and health outcomes of Montanans.

Medicaid provides insurance coverage for 265,000 of Montana's most vulnerable citizens. It serves as a funding source that enables Montana communities to build and sustain health services, including primary care, dental care, mental health and substance abuse treatment, specialty care, and hospital and emergency care. As such, Medicaid ranks as one of the most important resources for improving the health of Montanans.

MHCF is Montana's largest independent, 501(c)3 private foundation focused on health. We make strategic investments that contribute to a measurably healthier state by supporting access to quality and affordable health services, addressing the upstream influences on health and illness, and conducting evidence-driven research and analysis.

Given the importance of Medicaid in Montana’s health system, for the past four years, MHCF has conducted research and analysis to help the public and policymakers better understand the program and to identify opportunities to strengthen it. MHCF’s Medicaid reports are widely relied on by the public, the press, government officials, and lawmakers.

This year, based on our previous work, we decided to create an annual report on Medicaid. This first annual report coincides with the coronavirus pandemic, an unprecedented public health emergency. Montana’s safety net, including Medicaid, has never been more important as a resource to support families that have lost income and hospitals and providers working on the front lines of the pandemic. Even with incomplete data for 2020, the report offers important insights into the role Medicaid plays in Montana’s response to the pandemic.

We offer special thanks to our partners at the Montana Department of Public Health and Human Services. They made this report possible through contributing data, expertise, and insights on Medicaid.
Montana’s Medicaid program provides Montanans with low-incomes access to health care benefits and services based on their medical needs and life circumstances. Its Healthy Montana Kids program is the largest provider of health care for children in the state; while Medicaid more broadly serves as a safety net for Montanans who are blind and disabled, women who are pregnant or have breast or cervical cancer, families with dependent children, and other adults with low-incomes.

Medicaid provides coverage for one-in-four Montanans (265,000 people).

- Medicaid is jointly funded with the federal government, which reimbursed Montana for 75 cents of every dollar it spent on member care in State Fiscal Year 2019.

- Expanding Medicaid to cover more children and adults was central to halving uninsured rates in Montana since 2008.

- Nearly two-thirds (65%) of Medicaid recipients live in rural Montana; and nearly 50,000 American Indians have coverage through Medicaid.

- Seniors and individuals with disabilities comprise only 15% of the Medicaid population but contribute to 40% of Medicaid expenditures.

- Medicaid-covered behavioral telehealth service visits increased by over 1,400% through August 2020, as Medicaid waived in-person service delivery requirements for many physical and behavioral health services during to the pandemic.
The HELP Act expanded Medicaid in 2016 to cover over 90,000 Montanans with incomes at or below 138% of the Federal Poverty Level.

- Approximately 95% of expansion enrollees are working (72%), ill or disabled (10%), caretakers (7%), or in school (6%).
- Medicaid expansion supports workers with low-incomes and their employers, with nearly six-in-ten Montana businesses having at least one employee enrolled in Medicaid during 2018 and 2019.
- Medicaid expansion enrollees stay in the program for an average of only two years.
- Medicaid expansion improved health care access for Montanans, supporting their health, well-being, and productivity. In 2019, over 60,000 expansion enrollees received preventive services, over 30,000 received mental health treatments, and over 5,000 received substance use disorder treatments.
- The HELP Act and Medicaid expansion generated state budget savings exceeding $28 million in State Fiscal Year 2019 by providing higher match rates for some existing Medicaid populations and by replacing existing state spending with new federal dollars.
- Medicaid expansion continues to infuse over $650 million in new federal spending into Montana annually, creating jobs and economic activity.
- With the implementation of expansion, uncompensated care costs for hospitals in Montana halved.
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Program Background
Medicaid is a critical safety net program that provides Montanans with low-incomes with access to health care benefits. The federal government pays most of its cost.

Montana Medicaid and the Children's Health Insurance Plan (CHIP) – collectively referred to as “Medicaid” within this report – provide Montanans with low-incomes with access to low- or no-cost health care benefits and services based on their medical needs and life circumstances (e.g., disabilities, pregnancy). The Healthy Montana Kids program is the largest provider of health care for children in the state; while Medicaid more broadly also serves as a safety net for Montanans who are blind and disabled, women who are pregnant or have breast or cervical cancer, families with dependent children, and other adults with low-incomes since its expansion in 2016.

Medicaid is a joint federal-state program managed locally by the Montana Department of Public Health and Human Services (DPHHS) and federally by the U.S. Centers for Medicare and Medicaid Services (CMS). DPHHS and CMS agree to a “state plan” that outlines how DPHHS will administer Montana’s Medicaid program, including who will be eligible to receive services and what services they will be eligible to receive, beyond those minimally required by CMS. The state plan is sometimes modified by jointly agreed-to “waivers” of statutory requirements, which allow Montana to tailor its Medicaid program to meet local needs and pursue alternative approaches for achieving program goals.

Medicaid services are funded by a combination of federal and state funds. Montana receives approximately two “federal” dollars for every “state” dollar it expends on Medicaid enrollees' medical care at health care providers across the state. Federal reimbursement rates are higher for “expansion” enrollees (over 90%) and for Indian Health Services and Tribal Health Services (100%), among other populations and services.

This report provides foundational information and statistics on the Montana Medicaid program, who its serves, their health care needs, and their medical costs. It also speaks to the role Medicaid expansion has played in expanding coverage for many previously uninsured Montanans, and the impact it has had on enrollees' health and well-being, the state budget, and the state economy by infusing new federal dollars into Montana's health care system.
Medicaid provides access to health care coverage for Montanans of all ages.

<table>
<thead>
<tr>
<th>Covered Populations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Children</strong> (112,000 enrollees)</td>
</tr>
<tr>
<td>Medicaid (including CHIP) covers children up to 19 years of age who are in families with incomes up to 261% of the Federal Poverty Line (FPL).*</td>
</tr>
</tbody>
</table>

| **Adults** (136,000 enrollees) |
| Medicaid covers non-elderly, non-disabled adults who have incomes up to 138% FPL.* |

| **Seniors** (18,000 enrollees) |
| Medicaid covers seniors who meet income thresholds (up to 73% FPL); and supports Medicare premium payments, allowing low-income seniors to “buy in” to federal coverage. |

| **Adults & Children w/ Disabilities** (21,000 enrollees) |
| Medicaid covers children and adults who are blind or disabled (income levels vary based on Medicare and LTC status); and supports Medicare premium payments. |

| **Pregnant Women** (1,700 enrollees*) |
| Medicaid covers pregnant women with incomes up to 157% FPL from time of pregnancy through 60 days postpartum. |

| **Other Populations with Complex Conditions*** |
| Medicaid provides services and support for people with complex conditions including those with severe mental illness and breast or cervical cancer. |

* See technical notes for additional detail.
Medicaid provides access to comprehensive health care services to address physical, behavioral health, dental, and long-term care needs.

Covered Services

- **Early Periodic Screening, Diagnosis and Treatment:** Montana Medicaid covers all medically necessary physical, behavioral health and dental services for children under the age of 21.

- **Inpatient and Hospitalization Services:** Montana Medicaid covers needed inpatient medical services for individuals who are admitted to a hospital.

- **Primary and Specialty Care:** Montana Medicaid covers primary care and specialty services, including those delivered by Montana's critical Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs), which play a significant role in supporting the health of Montana’s underserved rural communities.

- **Behavioral Health and Substance Use Disorder Treatment Support:** Montana Medicaid covers behavioral health services such as psychiatry and crisis intervention to help individuals with mental illness receive the treatment and support they need. Medicaid also covers screening and treatment for individuals with substance use disorders.

- **Dental Services:** Recognizing the importance of oral health, Montana Medicaid covers necessary dental services including exams, cleanings, fillings and dentures.

- **Long Term Services and Supports, including Home and Community-Based Services:** For older and physically disabled Montanans who need assistance for daily activities, Medicaid covers long-term care services at nursing facilities. Under the Big Sky Waiver, Montanans can receive these services in their home or communities, rather than a nursing home or institutional setting.
The federal government reimbursed Montana for 75 cents of every dollar Medicaid spent on caring for its members in State Fiscal Year 2019.

Montana Medicaid as Percentage of State Budget (SFY 2019)

Federal Spending

Medicaid
$2.0B (27%)

Non-Medicaid
$5.2B (63%)

State Spending

General Fund, $335M
Special Fund, $116M

Includes state and federal revenues

During SFY 2019, Montana Medicaid’s budget was $2.0B or 27% of Montana’s total budget, with:

- Most expenditures (94%) on patient care, and directed to health care providers across Montana
- Three quarters of the budget reimbursed by the federal government ($1.5B)

Montana benefitted from high federal match rates (FMAP) for its general population (65.5%) and the populations it covered (e.g., expansion enrollee FMAP was approximately 93% in 2019).

Montana had the 16th highest FMAP in the United States in SFY 2019 and had the 8th lowest rate of state general fund spending on Medicaid (14%).
Expanding Medicaid coverage for children and adults was central to reducing uninsured rates in Montana, which declined by half from 2008 to 2019.

Montana’s uninsured rate has halved since 2008 for both adults (20% to 10%) and children (14% to 6%), as the state expanded eligibility for both its Medicaid and CHIP programs. In 2008, Montana passed Initiative 155 to create Healthy Montana Kids (HMK), increasing CHIP eligibility to 266% FPL. In 2016, Montana’s 2015 HELP Act expanded Medicaid coverage to non-disabled adults, ages 19 to 64, with incomes up to 138% FPL.

* Data from the MHCF’s “2019 Report on Health Coverage and Montana’s Insured,” available here, found a similar decline in uninsured rates after Medicaid expansion: 20% in 2013; 17% in 2014; 15% in 2015; followed by a drop to 7.4% in 2016; 7.8% in 2018; and 8.6% in 2019.
The HELP Act expanded Medicaid to cover over 90,000 Montanans with incomes at or below 138% of the Federal Poverty Level ($17,609 for an individual in 2020).

Montana Medicaid Enrollment' (2010-2020)

Montana’s Medicaid enrollment has grown since 2010 as the state expanded eligibility for children in 2008 and adults in 2015 (implemented in 2016), and as the program supported a growing state population. Montana’s adult expansion provided nearly 100,000 Montanans with low-incomes with access to health care coverage its early years, before enrollment declined through 2019, prior to the pandemic. Montana’s Medicaid expansion enrollment has grown more slowly than peer states’ expansion populations.
Medicaid provides coverage for one-in-four Montanans and is a particularly critical safety net for tribal and rural populations.

### Medicaid Enrollment as Proportion of the Population (2020)

<table>
<thead>
<tr>
<th>Population**</th>
<th>Medicaid Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,069,000</td>
<td>265,000</td>
</tr>
</tbody>
</table>

25%

### Medicaid Demographics in Comparison with State Population (2020)

<table>
<thead>
<tr>
<th>Race*</th>
<th>White</th>
<th>American Indian/Alaskan Native</th>
<th>Other/Unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td>State**</td>
<td>88%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>67%</td>
<td>18%</td>
<td>14%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>State**</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>54%</td>
<td>46%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Geography</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>State**</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>34%</td>
<td>65%</td>
</tr>
</tbody>
</table>

Medicaid provides health care coverage for one-in-four Montanans. It is a safety net for Montana’s most “isolated” areas (21% of Medicaid enrollment vs. 20% of the population) as it is for its most urban (34% vs. 36%). It is also a critical support for Tribal populations, who comprise only 6% of the state’s population, but 18% of its Medicaid enrollment.

* Race information is voluntarily reported  ** State data only available for 2019
Medicaid provides coverage for Montanans across the state, whether living in more urban or rural areas.
Medicaid is a stable source of coverage for the elderly and individuals with disabilities, while providing more temporary coverage for adults and children.

<table>
<thead>
<tr>
<th>Average Duration of Medicaid Coverage* (Dec. 2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Number of Years on Medicaid</td>
</tr>
<tr>
<td>0</td>
</tr>
<tr>
<td>Adults (Expansion)</td>
</tr>
<tr>
<td>Adults (Non Exp)</td>
</tr>
<tr>
<td>Children</td>
</tr>
<tr>
<td>Seniors</td>
</tr>
<tr>
<td>Disabled</td>
</tr>
</tbody>
</table>

Medicaid is a critical source of health care coverage that ensures Montanans with low-incomes have access to the care they need to support their long-term health, well-being, and productivity. Medicaid minimizes gaps in coverage that could otherwise result in missed prescriptions, and delays in needed medical care and preventative services, such as disease testing and vaccinations. Nationally, populations that have chronic medical needs (seniors, individuals with disabilities) and/or inherent income limitations (children) tend to be on Medicaid longer than those who have stronger prospects for finding employment or alternative coverage (adults). This holds true in Montana. Expansion adults were enrolled for two years, on average, with a third enrolled for less than 12 months.

* Average duration for expansion adults will likely increase over time. Expansion started in January 2016; other programs were audited back to July 1999.
Seniors and individuals with disabilities have the most complex medical needs among Medicaid enrollees.

Based on their past service use, clinical diagnoses, and demographics, seniors and individuals with disabilities are projected to have medical costs that are three times as high as the average “traditional” adult enrollee, as they require more frequent, intensive, and costly procedures and services to manage their health. (Not all these costs fall to Medicaid, however, as many of these individuals are dually-enrolled in Medicare.) Adult expansion enrollees have slightly higher “risk scores” than their traditional adult Medicaid counterparts, driven, in part, due to the composition of the expansion population, which includes individuals who may have previously been eligible for coverage under other eligibility categories.
Children rely upon Medicaid for access to preventive care services, while older and higher-need populations rely upon it to cover long-term services and supports.

Different population groups require different Medicaid services to support their unique health care needs. Medicaid supports children by providing access to dental services, immunizations, preventive screenings, and outpatient care; while adults (both traditional and expansion) rely upon Medicaid for outpatient care and lab services (e.g., blood counts, metabolic panels). Older populations and individuals with disabilities rely upon Medicaid to cover services that Medicare (with which they are often dually-enrolled) does not cover, such as assisted living, personal care services, and habilitation services.

*Procedures are illustrative and may not represent top service categories; excl. care coordination and risk adjustment claims.
Medicaid provides access to critical preventive services for Montanans of all ages.

<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
</tr>
<tr>
<td>Preventive/Wellness Exams</td>
</tr>
<tr>
<td>Physical and Behavioral Health Screenings*</td>
</tr>
<tr>
<td>Alcohol Abuse Screening</td>
</tr>
<tr>
<td>Breast Cancer Screening</td>
</tr>
<tr>
<td>Cervical Cancer Screening</td>
</tr>
<tr>
<td>Cholesterol Screening</td>
</tr>
<tr>
<td>Diabetes Screening</td>
</tr>
<tr>
<td>Hepatitis B Screening</td>
</tr>
<tr>
<td>Hepatitis C Screening</td>
</tr>
<tr>
<td>STD Screening</td>
</tr>
<tr>
<td>Tobacco Use Counseling &amp; Interventions</td>
</tr>
<tr>
<td>Dental Services</td>
</tr>
<tr>
<td>Vaccines</td>
</tr>
</tbody>
</table>

In 2019, nearly 65,000 Medicaid enrollees received vaccinations, 69,000 received wellness exams, and nearly 138,000 benefitted from dental services – preventive services that promote long-term health and well-being. Medicaid expansion has played an important role in bringing access to preventive services to the previously uninsured.

*Unique counts not available
The use of telehealth services – particularly behavioral health services – by Medicaid enrollees expanded dramatically during the coronavirus pandemic.

Telemedicine has traditionally offered Montanans living in more rural parts of the state access to qualified clinicians for medically necessary services. Through the coronavirus pandemic, however, Montana Medicaid expanded access to telehealth services, waiving in-person service delivery requirements for many physical and behavioral health services (e.g., primary care, therapy, and substance use disorder treatment) and authorized reimbursement for telehealth services at the same rate as in-person visits. As a result, telehealth utilization has increased significantly through August 2020, particularly for behavioral health services, where visits increased by 1,418% (+175,000) over the full 2019 year; physical health visits have more than doubled during the first two-thirds of 2020 as well.
Seniors and individuals with disabilities comprise only 15% of the Medicaid population but contribute to 40% of Medicaid expenditures.

Medicaid spending varies significantly by age group and disability status. Non-disabled children and adults comprised the vast majority of Medicaid enrollment (85%) but contribute to far less of its expenditures (60%). Conversely, seniors and individuals with disabilities, who often require high-touch, high-intensity, and ultimately high-cost services to support their daily living, comprised 15% of Medicaid enrollment, but contributed to 40% of its expenditures. Similar spending patterns are observed nationally.

* Medicaid spending only (excludes Medicare spending). CHIP spending estimated based on aggregate budget data. Spending excludes DSH and supplemental provider payments. Enrollment percentages based on member months and may not align with other values in this report.

** “Individuals with Disabilities” category includes individuals from all age categories. Seniors exclude “disabled” who are otherwise captured by the Individuals with Disabilities category.
Most of Medicaid spending on seniors and individuals with disabilities is for long term services and supports, because Medicare covers other services they need.

| Service Category Spending as a Percentage of Total Spending by Population* (SFY 2019) |
|-------------------------------------------------|---------------------------------|-------------------------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 0%                                             | 25%                            | 50%                           | 75%                          | 100%                         |
| [Diagram with bars showing spending percentages for different populations and categories] |

Long term services and supports (LTSS), including nursing home care and home and community-based services, comprise more than half of Montana Medicaid's average spending for seniors and individuals with disabilities. Seniors and individuals with disabilities are often dually-enrolled in Medicare, which covers most hospital/physician service costs. Children and adults (including expansion adults) more often rely upon Medicaid for emergency services (hospital inpatient & outpatient services) and routine care (physician services).

*Medicaid spending only (excludes Medicare and CHIP).
Medicaid leverages federal dollars to support Montana’s health care system, from hospitals and rural clinics, to medical practices and behavioral health providers.

<table>
<thead>
<tr>
<th>Provider Type</th>
<th>Medicaid Spending</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$1,655,919,049</td>
<td>100%</td>
</tr>
<tr>
<td>Hospitals &amp; Clinics</td>
<td>$440,417,048</td>
<td>27%</td>
</tr>
<tr>
<td>LTSS</td>
<td>$414,171,665</td>
<td>25%</td>
</tr>
<tr>
<td>Physician &amp; Mid-Level Practitioners</td>
<td>$184,299,967</td>
<td>11%</td>
</tr>
<tr>
<td>Indian Health Service</td>
<td>$127,854,750</td>
<td>8%</td>
</tr>
<tr>
<td>Behavioral Health</td>
<td>$121,526,868</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>$120,852,640</td>
<td>7%</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>$98,023,997</td>
<td>6%</td>
</tr>
<tr>
<td>Dental</td>
<td>$63,112,569</td>
<td>4%</td>
</tr>
<tr>
<td>Medicare Buy-in</td>
<td>$44,598,918</td>
<td>3%</td>
</tr>
<tr>
<td>Schools</td>
<td>$41,060,627</td>
<td>3%</td>
</tr>
</tbody>
</table>

Montana health care providers receive over $1.6 billion from Medicaid to support patient care, with the majority payments supported by federal dollars. Medicaid supports over $400 million in patient care at hospitals, clinics and LTSS providers annually. Expansion brought an additional $525 million in new revenues to Montana’s health care system at a nine-to-one federal spending match, with hospitals playing a key role in supporting the state’s ability to receive these federal dollars (see next section).
The Impact of Medicaid Expansion
The size of the expansion population fluctuates with the economy as it serves as a safety net, particularly for rural Montanans and American Indians.

The Health and Economic Livelihood Partnership (HELP) Act expanded Medicaid to cover non-disabled, childless adults with incomes up to 138% FPL effective January 1, 2016. Expansion enrollment peaked in 2018 near 100,000 lives, before decreasing to 80,000 in March 2020. Enrollment has since increased steadily through the pandemic to 93,000 in December 2020. Demographically, the expansion population looks like the overall Medicaid population in terms of race, gender, and geography, with the program playing a particularly critical role in supporting the health and well-being of Montana’s tribal and rural populations.
Expansion enrollees contribute toward the cost of their coverage through premium payments equal to 2% of household income.

Expansion enrollees with incomes between 51% and 138% FPL are required to pay premiums equal to 2% of household income unless otherwise exempted (e.g., American Indians). In July 2020, members paid over $423,000 in premiums, the majority of which was returned to the federal government. *Failure to pay premiums ordinarily usually result in disenrollment for enrollees with incomes exceeding 100% FPL, prior to federal requirements preventing disenrollment until after the public health emergency.

In response to the COVID-19 pandemic, on March 27, DPHHS waived disenrollment penalties for inability to pay premiums, though continued to collect premiums for those who could pay.
Nearly three-quarters of Medicaid expansion enrollees are working adults who are frequently employed in low-wage industries.

In 2016, Montana implemented the HELP Act, which expanded Medicaid coverage to Montanans with incomes up to 138% FPL. In early 2020, around 85,000 Montanans were enrolled through Medicaid expansion, with most employed or part of working families. A Department of Labor and Industry analysis found that most Medicaid expansion enrollees had payroll jobs in 2019 and worked at least half of the quarters they were on Medicaid. Many expansion enrollees work in low-wage, seasonal, or “gig” industries, where employer-sponsored health care coverage is either unavailable or unaffordable.

Many Medicaid expansion enrollees work in occupations that require face-to-face interaction (e.g., waiters, construction laborers, cooks, housekeepers, cashiers, retail salespersons, hairdressers), placing them at particularly high risk of contracting COVID and being subject to COVID-related layoffs.

Employment Status of Medicaid Expansion Enrollees (2019)

<table>
<thead>
<tr>
<th>Working: 72%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ill or Disabled: 10%</td>
</tr>
<tr>
<td>Caretaker: 7%</td>
</tr>
<tr>
<td>School: 6%</td>
</tr>
<tr>
<td>Other: 5%</td>
</tr>
</tbody>
</table>

Note: Shading approximate; values may not sum to 100% due to rounding.
Expansion enrollees are connected to employment and advancement opportunities through the HELP-Link workforce program.

HELP-Link Employment Training and Outcomes (2018-2020)

Receiving Employment Services

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020 (YTD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed After Exit</td>
<td>5,553</td>
<td>7,234</td>
<td>9,068</td>
</tr>
<tr>
<td>(Distribution Not Yet Available)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Type of Services Received (2020 YTD)

<table>
<thead>
<tr>
<th>Year</th>
<th>2020 (YTD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Employment Support (e.g., career matching and advise, resume assistance, mock interviews)</td>
<td>8,601</td>
</tr>
<tr>
<td>Participation in “Intensive” Workforce Training (e.g., educational or apprenticeship support, dedicated career coaching)</td>
<td>467</td>
</tr>
</tbody>
</table>

The HELP Act also created HELP-Link, a voluntary workforce program administered by the Department of Labor and Industry that helps expansion enrollees to find, and in some cases, enhance their skills to match with more stable and higher-paying long-term employment. HELP-Link provides “general” employment services, including career matching and counsel, as well as more “intensive” support, where participants may participate in a full workforce or educational training programs. More than two-thirds of HELP-Link participants participating in “intensive” training found employment in 2020. Truck drivers, registered nurses, and personal care workers, are common occupations pursued by participants.
Medicaid expansion supports workers with low-incomes and their employers.

According to a recent Department of Labor and Industry analysis, between 2018 and 2019, nearly six-in-ten Montana businesses had at least one employee enrolled in Medicaid; a quarter had at least 25% of their employees enrolled in the program. Working Medicaid expansion enrollees are often employed in lower-wage industries such as accommodation and food services, arts, entertainment and recreation (e.g., ski resorts), and retail. The Department of Labor and Industry estimates that it would have cost employers between $432 million and $1.1 billion in 2019 to provide private insurance to Medicaid-enrolled workers.
Medicaid expansion improved health care access for Montanans, supporting their health, well-being, and productivity.

Medicaid expansion provides low-income Montanans with greater access to medical, dental, mental health, and substance use disorder treatment to support their health, well-being, and productivity. Nearly seven-in-ten Medicaid expansion enrollees reported improved access to medical care since enrollment; and four-in-ten noted improved health.

Expansion also mitigated many barriers-to-care for Montanans. Ninety percent of Medicaid expansion enrollees reported they would have trouble in paying their medical bills without expansion; at least three-quarters would struggle to pay for basic housing and food. Many enrollees reported that prior to expansion they delayed needed medical care, dental care or medication refills due to cost.

### HELP Enrollees Reporting Improved Health and Access to Care (2018)

<table>
<thead>
<tr>
<th>Improved Access</th>
<th>Medical Care</th>
<th>69%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dental Care</td>
<td>51%</td>
</tr>
<tr>
<td></td>
<td>Mental Health/SUD Support</td>
<td>47%</td>
</tr>
</tbody>
</table>

### HELP Enrollees Reporting Barriers to Care Without Enrollment (2018)

- Took Less Medication Than Prescribed Due to Cost: 45%
- Had to Borrow Money or Skip Bills Due to Medical/Dental Costs: 50%
- Delayed Medical/Dental Care Due to Cost: 64%
- Experienced Difficulty Paying for: 75%* (Housing or Food Due to Medical Costs) 90% (Medical/Dental Care)

* Respondents reported that, if not covered by Medicaid expansion, it would be difficult to pay for food for them or their family (75%) or basic housing needs (77%).
Medicaid expansion provided enrollees with access to preventive services and the physical, mental health, and substance use treatment needed to stay healthy.

In 2019, over 60,000 expansion enrollees received preventive services from Montana health care providers. Access to preventive services allows for the identification and treatment of health issues and chronic conditions, promoting the long-term health and well-being of Montanans – and Montana’s workforce. Over 30,000 expansion enrollees received mental health services in 2019, and over 5,000 received support for substance use disorders with their expansion coverage. Nearly 3,000 enrollees were newly diagnosed with hypertension and over 1,300 were newly diagnosed with diabetes; ongoing treatment for both conditions continued to increase. Preventive screenings also resulted in 71 breast cancer diagnoses and early treatment of potential colon cancer indicators for 938 individuals (data not shown).
Medicaid expansion is resulting in the diagnosis and early treatment of cancer.

Expansion Enrollee Screenings Resulting in Early Diagnoses and Treatment (2017-2019)

Every year, nearly 6,000 expansion enrollees are being screened for breast cancer and over 2,500 for colon cancer. In 2019, these screenings resulted in the diagnosis of breast cancer in 71 Montanans and averted potential colon cancer cases for 938 others. These findings echo recent national studies, where Medicaid expansion has been associated with increased rates of early-stage cancer diagnoses.
Medicaid expansion provided Montana with new program levers and funding flexibility to address substance use disorders in the state.

Montana has among the highest rates of alcohol use disorders and substance use disorders (SUD) of any state, significantly exceeding national averages. Medicaid expansion provided the state with new program levers and funding flexibility to address this acute health concern. Expansion’s 90,000 enrollees – many previously uninsured – now have access to primary care to diagnose SUD and the comprehensive treatment to address it. Expansion also freed-up federal block grant and state dollars previously allocated to fund SUD treatment for the uninsured, to now fund the state’s share of Medicaid costs, expand SUD treatment, and support other state priorities. Expansion generated over $9 million in funding for SUD treatment providers alone in 2019, supporting a critical behavioral health safety net in Montana while leveraging a 93% federal funding match.

The Montana Healthcare Foundation is developing a brief on the role of Medicaid expansion in supporting Montana’s behavioral health system and addressing enrollees’ behavioral health needs for release in February 2021.
The HELP Act and Medicaid expansion generated direct state budget savings exceeding $28 million in State Fiscal Year 2019.

State Budget Savings Pathways and Estimated Savings Amounts

1. Expansion Provides Montana with Higher Federal “Match Rates” for Some Existing Medicaid Populations

- Individuals who were or would otherwise be covered by “traditional” Medicaid at a lower federal match rate (65%) are now covered in the expansion group at a higher federal match rate (90%+), with Montana saving the difference.

   - Total State Savings (SFY 2019) +$16.3M
     - Enrollees with previous coverage under a waiver +$5.9M
     - Some pregnant women +$7.7M
     - Medically needy +$1.6M
     - Some individuals formerly eligible for breast & cervical cancer program +$0.7M

2. Expansion Provides Federal Dollars that Replace State Spending for Some Services and Populations

- Montana previously used state general funds to pay for health care programs that are now – at least partially – paid for through federal Medicaid dollars (or at Medicaid rates), allowing the state to allocate its limited budget to other priorities.

   - Total State Savings (SFY 2019) +$12.1M
     - Mental Health Services Program +$1.4M
     - Substance use disorder treatment +$0.7M
     - Reimbursement for inmate hospitalizations +$10.0M

A recently released report from the Montana Healthcare Foundation and Headwaters Foundation estimates that direct and indirect savings from Medicaid expansion could cover between 62% and 85% of the expected state share of expansion costs.
Medicaid expansion infuses over $650 million into Montana annually, creating jobs and supporting new economic activity.

In 2020, Medicaid expansion brought over $650 million in new federal spending directly to Montana’s hospitals, clinics, and primary care and specialty practices. The new spending creates and sustains over 6,000 new jobs statewide – more than 40% directly in health care. The spending also generates over $700 million in new economic activity, as these new employees spend their paychecks on local goods and services, and health care providers invest in new capital to support their systems and patient care.
Medicaid expansion has reduced the financial burden of uncompensated care for Montana’s hospitals.

Montana’s hospitals play a key role in supporting the state’s Medicaid expansion, contributing to the state’s payment share through an annual tax on outpatient revenues. In 2019, Montana hospitals paid nearly $20 million to the General Fund, which helped the state to generate approximately $180 million in new federal matching funds to support all of Montana’s health care providers.

Medicaid expansion provided coverage to many previously uninsured Montanans, who might have otherwise been unable to pay their medical bills. With the implementation of expansion, uncompensated care costs for hospitals in Montana halved, as Medicaid provided a stable, reliable source of payment for medical claims – and allowed new enrollees access to preventive care services, likely reducing the dependence on hospitals’ emergency room services.

Nationally, hospitals in states that have not expanded Medicaid are six times more likely to close than those in expansion states. No hospitals in Montana have closed since expansion was implemented in 2016.

**Hospital Uncompensated Care Costs* (2015-2019)**

HELP Act expanded Medicaid eligibility to non-disabled, non-elderly adults, ages 19-64, with incomes up to 138% FPL.

- Data provided by the Montana Hospital Association; sourced from the American Hospital Association's Annual Survey of Hospitals, which includes approximately 80% to 85% of Montana hospitals.
Special Topic:
Medicaid as a Critical Support for Tribal Communities
Medicaid serves as a critical source of care for Tribal communities in Montana.

Medicaid Coverage for American Indians in Montana (2020)

- Traditional Medicaid (32,000)
- Expansion (16,000)

Nearly 50,000 American Indians are enrolled in Medicaid in Montana.

The Indian Health Service (IHS) is a federal agency which provides services to American Indian and Alaskan Native (AI/AN) populations in Montana directly through IHS facilities, Tribally-contracted and operated programs (e.g., Tribal 638 programs), and indirectly, and Purchased and Referred Care (PRC) which buys services from private sector providers. PRC referrals are funded by IHS and Tribal facilities when the facility cannot provide the service, and the individual is uninsured and requires care. The federal government covers 100% of Medicaid costs for services delivered through IHS. IHS also provides a limited amount of funding for Urban Indian Health Programs that serve AI/AN individuals who live off the reservation and other tribal-operated lands, though services provided by these programs and facilities may not qualify for 100% federal reimbursement.
Medicaid expansion provided coverage to more than 16,000 American Indians and expanded health care access for all tribal members.

Due to chronic and severe underfunding, the federal government’s Purchased or Referred Care (PRC) referrals in Montana have historically been limited to “life or limb” emergencies (“Level I” services). However, as Montana’s Medicaid expansion provided coverage to more than 16,000 AI/AN individuals, it relieved local demand on PRC funds, and allowed facilities to expand access to preventive, primary and secondary, and chronic tertiary care services (“Level IV”).

American Indians nationally, and in Montana, face significant health disparities stemming from structural disconnections from the health care system, health care service underfunding, extreme poverty, and discrimination. The median lifespan of AIs/ANs in Montana is roughly 19 years shorter than that for whites.
Expansion is providing American Indians with access to preventive services and treatment.

In 2019, expansion allowed over 9,000 American Indians in Montana to receive preventive services, nearly 5,600 to receive mental health treatment, and over a thousand to access substance use treatment to support their health and well-being. Through access to preventive care, colon cancer was averted in nearly 100 individuals and breast cancer was diagnosed in 10 women. Hundreds of American Indians received diagnosis of and treatment for diabetes and hypertension.
Expansion has brought new federal dollars to Montana to support historically under-funded Indian Health Service and Tribal health organization facilities.

Medicaid Payments to IHS and Tribal Health Organization Facilities (2010-2019)

Medicaid payments are a critical source of revenue for resource-limited IHS and Tribal health organization facilities. In 2017, the U.S. Government Accountability Office (GAO) noted that national IHS spending per capita was 60% lower than per capita spending by the Veterans Health Administration (VA) and half of that by Medicaid.* Medicaid expansion has helped to mitigate decades of under-funding at IHS and Tribally operated facilities by bringing new federal dollars into Montana, with all Medicaid services for American Indians provided at – and coordinated through – these facilities qualifying for 100% federal reimbursement.

In 2019, Montana Medicaid paid $138 million to IHS and Tribally operated facilities as they supported the health and well-being of American Indians on and off reservations in Montana; 40% of payments were for services provided to expansion enrollees.

* GAO findings should be considered in context of program differences. IHS, the VA, and Medicaid have different program structures, service populations, and services/benefits.
Conclusion
Conclusion

Montana Medicaid is a critical safety net program that provides Montanans with low-incomes - from children to seniors, the disabled to the medically needy - with access to health care benefits that can support their long-term health, well-being, and productivity. Medicaid provided coverage to approximately 265,000 individuals in 2020, a number which continues to increase in 2021, as the coronavirus pandemic affects the lives and livelihoods of Montanans. As the program continues to evolve to address Montana's health care needs through the years ahead, this report will aim to serve as a nonpartisan, fact-based, and data-driven resource to support informed discussion about the program’s value and its future priorities.
Appendix A:
References
References
Program Background (1 of 2)

Slide 8: Program Overview
- Technical Notes:
  - 100% federal reimbursement is specific to American Indians using an IHS or Tribal 638 facility; services rendered at urban facilities or off-reservation may not be eligible for 100% federal reimbursement

Slide 9: Populations
- Data Sources:
  - DPHHS direct data request.
- Technical Notes:
  - * Children: CHIP-funded Medicaid expansion covers children in families with income up to 148% FPL. Medicaid and CHIP offer separate benefit packages.
  - * Adults: Parents/caretakers with incomes below 29% FPL remain on Medicaid but will not be eligible for enhanced expansion FMAP.
  - * Pregnant Women: Pregnant women enrollment counts sourced from DPHHS Medicaid Enrollment Dashboard and may undercount pregnant women.
  - * Other Populations with Complex Conditions: Population counts vary by condition.
  - Enrollment numbers are estimates and provided for contextual purposes only.
  - Direct data was not available from DPHHS for pregnant women. Count represents only those women who are enrolled in the Pregnant Women eligibility category; it does not include individuals who may be enrolled in another eligibility category, who may have become pregnant during their plan year.
  - Income thresholds incorporate 5% disregard.
References
Program Background (2 of 2)

Slide 10: Services

Slide 11: Budget
• “Medicaid Expenditures as a Percent of Total State Expenditures by Fund (SFY 2018),” Kaiser Family Foundation. Available here.
• “Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier,” Kaiser Family Foundation. Available here.
• Data Sources:
  o DPHHS direct data request.
• Technical Notes:
  o NASBO estimates total Medicaid spending for Montana at $1.805B, slightly less than the $1.97B estimated by DPHHS.
  o Expansion FMAP on a FFY basis; though represented and used in calculations on SFY basis.
References
Montana Medicaid Basics (1 of 6)

Slide 13: Uninsured Rates
- Data Source(s):

Slide 14: Enrollment Trends
- Data Source(s):
  - DPHHS direct data request.

Slide 15: Enrollment Demographics
- Data Source(s):
  - DPHHS direct data request.
- Technical Notes:
  - Rural/urban definitions from University of Washington Rural Health Research Center's RUCA Census data crosswalk (available here). RUCA was last updated in 2006. Rural/urban classifications have likely shifted in Montana since last update, though distributions remain comparatively accurate.
References
Montana Medicaid Basics (2 of 6)

Slide 16: Enrollment Geographic Distribution
- Data Source(s):
  - DPHHS direct data request.
- Technical Notes:
  - County map built using Tableau.
  - Enrollee-to-county assignments result in 3,561 individuals unattributed or attributed to out-of-state addresses. Enrollee-to-legislative district assignments result in 4,661 individuals unattributed or attributed to out-of-state addresses; one zip code (82801) is included in “in-state” counts; though the majority of the acreage is in Wyoming.

Slide 17: Enrollment Duration
- “Uninsured and unstably insured: the importance of continuous insurance coverage,” Health Services Research. 2000. Available [here](#).
- Data Source(s):
  - DPHHS direct data request.
- Technical Notes:
  - Duration represents average number of months of continuous enrollment. Time period for the study is July 1999 to December 2019. All individuals enrolled in the month of December 2019. Durations represent continuous enrollment in the same enrollment category the individual was in in December 2019 (i.e., if a child switched into an “adult” EnrollCat, their duration on the child plan would end and on the adult plan would begin).
References
Montana Medicaid Basics (3 of 6)

Slide 18: Population Risk Scores
- Data Source(s):
  - DPHHS direct data request.
- Technical Notes:
  - DPHHS-applied Milliman MARA Comprehensive Adjuster (CxAdjusters) leverages medical claims, drug claims, and member demographics over the previous 12 months to predict health care costs over the next 12 months. Individual category risk scores are calculated raw (member centric) and normalized (relative to the entire Montana Healthcare Program Members); categories include: procedure score, pharmacy score, inpatient score, outpatient score, physician score, ER score, total raw score, and total normalized score. Only the total normalized score are shown.

Slide 19: Top Procedures by Population Group
- Data Source(s):
  - DPHHS direct data request.
- Technical Notes:
  - Data for HMK children (CHIP Expansion) not available. *Case and care management procedure codes excluded from analysis.
  - **Individuals with disabilities excluded from Children and Adult analysis to show differences in utilization needs.
  - Medicare-paid services may be included in utilization counts as cross-over claims.
References
Montana Medicaid Basics (4 of 6)

Slide 20: Preventative Service Utilization By Population Group
• Data Source(s):
  o DPHHS direct data request.
• Technical Notes:
  o Counts represent unique members receiving services within designated eligibility categories.

Slide 21: Telehealth Utilization
• Data Source(s):
  o DPHHS direct data request.
• Technical Notes:
  o CY2020 counts through August 2020.
References

Montana Medicaid Basics (5 of 6)

Slide 22: Cost Trends - Spending by Population

- Data Source(s):
  - DPHHS direct data request.
- Technical Notes:
  - Spending data for HMK children (CHIP Expansion) not available. Expenditures estimated using MACPAC data. CHIP enrollment estimates based on CY basis; spending based on FY basis. Spending totals may not sum to previously reported expenditure totals due to exclusions (e.g., supplemental payments, service spending not attributed to members). The following payments were eliminated from spending and per member spending totals: hospital utilization fee; HUF (HRD) HELP SSR; Disproportionate Share Hospital payments; DSH (FMAP) payments. “Disabled” category includes individuals from all age categories. Seniors exclude “disabled” who are otherwise captured by “Individuals with Disabilities”.

[References and data sources listed here]
References
Montana Medicaid Basics (6 of 6)

Slide 23: Cost Trends - Service Category Spending as a Percentage of Total Spending PMPM by Population (SFY 2019)

- Data Source(s):
  - DPHHS direct data request.
- Technical Notes:
  - Spending data for HMK children (CHIP Expansion) not available. Spending totals may not sum to previously reported expenditure totals due to exclusions (e.g., supplemental payments, service spending not attributed to members). The following payments were eliminated from spending and per member spending totals: hospital utilization fee; HUF (HRD) HELP SSR; Disproportionate Share Hospital payments; DSH (FMAP) payments. IHS payments not broken out by service category. Service categories based on Manatt categorization.
  - “Disabled” category includes individuals from all age categories. Seniors exclude “disabled” who are otherwise captured by “Individuals with Disabilities”.

Slide 24: Medicaid Payments by Provider Type (SFY 2019)

- Data Source(s):
  - DPHHS direct data request.
- Technical Notes:
  - Spending totals may not sum to previously reported expenditure totals due to differing specifications and exclusions (e.g., supplemental payments, service spending not attributed to members). The following payments were eliminated from spending and per member spending totals: hospital utilization fee; HUF (HRD) HELP SSR; Disproportionate Share Hospital payments; DSH (FMAP) payments. IHS payments not broken out by service category. Service categories based on Manatt categorization.
References
The Impact of Medicaid Expansion (1 of 5)

Slide 26: Medicaid Expansion Enrollees
- Data Source(s):
  - DPHHS direct data request.

Slide 27: Medicaid Expansion Enrollee Premiums
- “HELP Premiums,” DPHHS. Available here.
- Data Source(s): Manatt analysis of “Montana Medicaid Expansion Dashboard,” DPHHS. Available here.
- Technical Notes: Premium collections vary significantly over the course of a CY, with peaks between February and April annually.

- Data Source(s):
References
The Impact of Medicaid Expansion (2 of 4)

Slide 29: HELP-Link Employment Training and Outcomes (2018-20)
- Data Source(s):
- Technical Notes:
  - “Received Employment Service” data available only on a CY basis; “Received Intensive, One-on-One Services” data available only on a FY basis.
  - It is unclear what proportion of the “percent employed after exit” were not previously employed prior to receiving employment services.
  - Average quarterly wage data not shown, but available in Databook.

- Data Source(s):
- Technical Notes:
  - Bubbles scaled to percentage of industry’s businesses with at least one Medicaid enrollee, not to the size of the industry.
References
The Impact of Medicaid Expansion (3 of 4)

Slide 31: Expansion Enrollee Outcomes

Slide 32: Expansion Access to Preventive Services
- Data Source(s): DPHHS direct data request.
- Technical Notes: Service counts of unique expansion enrollees at any point during the CY.

Slide 33: Expansion Access to Preventive Services and Diagnoses
- Data Source(s): DPHHS direct data request.
- Technical Notes: Service counts of unique expansion enrollees at any point during the CY.

Slide 34: SUD Support and Access
- Data Source(s):
  - DPHHS direct data request.
- Technical Notes: SAMSHA NSDUH survey results for persons aged 12 or older; annual averages based on 2016, 2017, and 2018. All Montana to US comparisons are statistically significant.
References
The Impact of Medicaid Expansion (4 of 4)

Slide 35: State Budget Savings
- Data Source(s): Manatt analysis of Montana Medicaid enrollment and spending data, SFY13-19. DPHHS direct data request.
- Technical Notes: Women enrolled in the expansion group and become pregnant may stay enrolled during the coverage year; the State receives the enhanced FMAP. Another mechanism where expansion generates savings to traditional Medicaid is behavior change: individuals, who in the absence of expansion reduce income/assets or apply for disability in order to qualify for traditional Medicaid. With expansion, these individuals no longer need to adapt themselves so they are Medicaid eligible.

Slide 36: Economic Impact of Medicaid Expansion
- Data Source(s):
- Technical Notes: Income and sales in 2018 dollars

Slide 37: Uncompensated Care
- Data Source(s): American Hospital Association Annual Hospital Survey via Montana Hospital Association
References
Tribal Communities (1 of 2)

Slide 39: Medicaid Coverage for American Indians in Montana (2019)
- Data Source(s):
  - DPHHS direct data request.

Slide 40: IHS Purchase or Referred Care: Change in Referrals Since 2015 (2015-19)
- Manatt analysis of Montana Medicaid enrollment and spending data, SFY13-19. DPHHS.
- “Billings Area,” Indian Health Service. Available [here](#).
- “Disparities Fact Sheet,” Indian Health Service. Available [here](#).
- Data Source(s):
  - DPHHS direct data request.
- Technical Notes:
  - IHS provides a limited amount of funding for urban Indian health programs that serve AI/AN populations living off-reservation or – tribal lands.
References
Tribal Communities (2 of 2)

Slide 41: Preventive Services and Treatment Received by AI/AN Expansion Enrollees
• Data Source(s): DPHHS direct data request.
• Technical Notes: Income and sales in 2018 dollars

Slide 42: Medicaid Payments to IHS & Tribal Health Facilities (2010-19)
• Data Source(s): DPHHS direct data request.
• Technical Notes: Income and sales in 2018 dollars